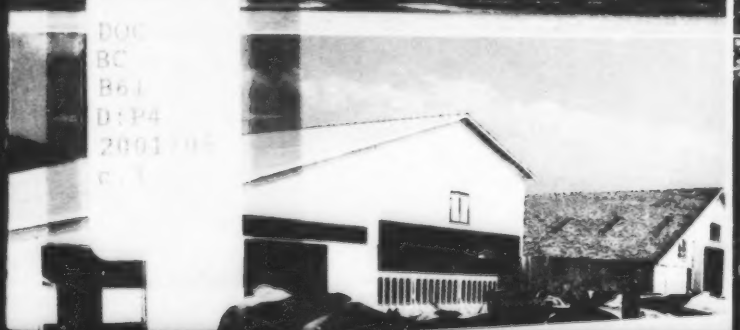
BC Assessment

2001-2005 Performance Plan – March 2001



DOC
BC
B64
D3P4
2001/05
c.1

JUN 2 9

LEGISLATIVE LIBRARY OF BRITISH COLUMBIA
3 3298 00261 6903

101-05931/

March 30, 2001

The Honourable Jim Doyle
Minister of Municipal Affairs
Legislative Buildings
Victoria, British Columbia V8V 1X4

Dear Minister:

On behalf of the Board of Directors, I have the pleasure to submit BC Assessment's 2001-2005 Performance Plan.

This plan fulfills our obligation under the *Budget Transparency Act and Accountability Act* to provide a performance plan with performance measures.

David Driscoll
BOARD CHAIR

LEGISLATIVE LIBRARY
VICTORIA, B.C. V8V 1X4
JUN 29 2001

VISION We will be the leading property assessment organization internationally and the first choice for property information in British Columbia.

MISSION We produce uniform property assessments that form the basis for local and provincial taxation while providing information to assist people when making real estate decisions.

VALUES We are guided by our commitment to:

- QUALITY in our products, services, and work life;
- ACCOUNTABILITY for our actions and results;
- SERVICE that is responsive and sensitive; and
- TEAMWORK in working together as one team and partnering with our clients.

Table of Contents

Letter of Transmittal 3

Mission, Vision, and Values 4

Corporate Overview 6

Products and Services 7
- Annual Assessment Rolls
- Assessment Notices
- Community and Social Initiatives
- First Nations Assessment Rolls
- Statutory Reports
- Commercial Products and Services

Review Process 8

Environmental Scan and Key Strategic Issues 8
- Changing Client Expectations
- Demographics and Succession Planning
- Changing Staff Expectations
- Financial Constraints
- Training
- Technology
- Competition
- First Nations Issues
- Communication

Goals and Objectives 10
- Goal – Product Quality
- Goal – Customer Service
- Goal – Fiscal Responsibility
- Goal – Human Resources Leadership
- Goal – Community and Social Responsibility

Appendix: Assessment Roll Quality Measures – Performance Measures 13

Corporate Overview

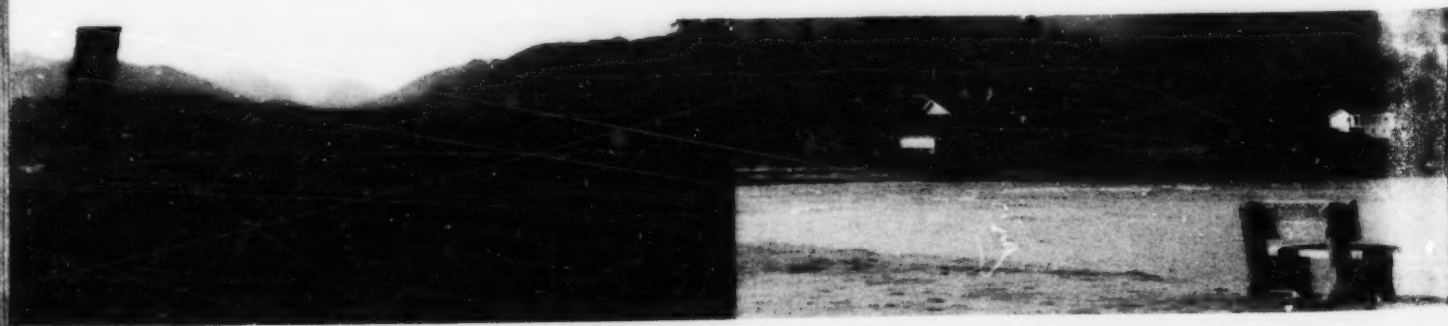
BC Assessment is a provincial Crown corporation established 26 years ago to produce and maintain assessments that are uniform throughout the whole of British Columbia, in accordance with the *Assessment Act*. The Board of Directors provides policy direction and performance review, while valuation and operational matters are the responsibility of the Assessment Commissioner and Chief Executive Officer.

BC Assessment's core function is to establish and maintain uniform real property assessments throughout the province, using current market data as a guide. BC Assessment must also classify all real property according to use, produce the annual assessment roll and send assessment notices to all real property owners. The assessment roll contains the actual value (estimated market value) of the land and improvements as well as the use classification and taxability of 1.6 million properties. For some properties, most notably farmland, the assessment roll contains a value determined in accordance with a prescribed land value schedule as approved by the Assessment Commissioner, not necessarily market value.

A critical element of the system in British Columbia is that BC Assessment operates independently of the jurisdictions that levy property taxes including the provincial government.

The assessment roll is the foundation upon which the provincial government and local governments raise approximately 4 billion dollars in revenue annually for public services.

BC Assessment employs approximately 689 staff in 25 offices throughout British Columbia. The organization consists of 22 assessment areas with assessment offices located throughout the province, and a Head Office in Victoria containing the following divisions to support the assessment offices – Corporate Services; Valuation Support; Valuation Policy; Standards; and Community Relations and Marketing.



Products and Services

BC Assessment's products and services are relied upon by British Columbia's citizens, their provincial, municipal, and regional governments, and other public bodies that generate real property tax revenue, including improvement districts, hospital boards, schools, and BC Transit. There are over 300 major taxing jurisdictions in British Columbia.

ANNUAL ASSESSMENT ROLLS

The assessment rolls contain the legal description, ownership, assessed value, use classification, and other details for every property in British Columbia. There are four types of rolls:

- THE COMPLETED ROLL: this is completed by BC Assessment and approved by the Assessment Commissioner in December of each year;
- THE AUTHENTICATED ROLL: this includes amendments made by the Property Assessment Review Panels during February and March;
- THE SUPPLEMENTARY ROLLS: these contain changes and corrections to the Authenticated Roll, and are issued between April and December; and
- THE GRANT ROLLS: these contain the assessed value of properties that are exempt from property taxation, such as government properties, schools, and hospitals. They are produced annually and provided to exempt property owners and municipalities, and often provide a foundation for grants in lieu of property taxes.

ASSESSMENT NOTICES

BC Assessment provides each real property owner with a notice of assessed value of land and improvements. Approximately 1.6 million assessment notices are sent by mail by December 31st of each year.

For the majority of properties, the assessment is the estimation of a property's market value as of July 1st each year. This means that assessment notices mailed in December of each year reflect the value six months earlier.

COMMUNITY AND SOCIAL INITIATIVES

BC Assessment provides community and social initiatives in British Columbia through consultation with local governments and other stakeholders and through the review of all of its operations for social and environmental impacts.

FIRST NATIONS ASSESSMENT ROLLS

BC Assessment provides assessment rolls on a contract basis to 48 First Nations that have chosen to establish independent real property taxation systems.

STATUTORY REPORTS

These reports provide value summaries for specific taxation purposes, such as funding for school districts, regional districts, local areas, and hospital and transit services.

COMMERCIAL PRODUCTS AND SERVICES

BC Assessment provides several products and services available for a fee. These include access through BC OnLine to the published assessment roll, provision of bulk electronic assessment rolls, sales data and residential inventory data, custom reports, and professional consulting services.

Review Process

BC Assessment advances the broad public interest by ensuring that the assessment roll accurately represents values and therefore provides an equitable basis for property taxation. Fairness is a hallmark for BC Assessment employees in their service to the community.

Property owners who question the accuracy or fairness of their assessment often resolve these issues by meeting with staff at BC Assessment's local offices. If issues are not resolved, property owners may seek a review by independent tribunals. The first level of appeal is to the Property Assessment Review Panel. The second level of appeal is to the Property Assessment Appeal Board. These appeal tribunals, which are administered by the Ministry of Municipal Affairs, are independent of BC Assessment and the taxing jurisdictions. Higher courts hear appeals based on matters of law.

Environmental Scan and Key Strategic Issues

CHANGING CLIENT EXPECTATIONS

BC Assessment's customers continually increase their expectations for products, services, and assessment roll quality. Local governments and taxpayers are placing higher demands on the assessment roll with regard to uniformity, consistency, and accuracy. The provincial government has increasing expectations and requirements of Crown corporations. For BC Assessment, these include reporting its financial participation in the funding of other activities, overview of strategic planning and performance monitoring and making these documents available to the public, and advancement of broader social and economic development objectives. In meeting these expectations, BC Assessment must ensure that the independence of the assessment function continues to be preserved.

DEMOGRAPHICS AND SUCCESSION PLANNING

The population demographics for British Columbia indicate an aging population. This is reflected in the workforce of BC Assessment and over the next five years a large number of staff will be retiring. The projected number of retirements creates several important challenges and opportunities and highlights the need for the current succession–planning program.

CHANGING STAFF EXPECTATIONS

In today's workplace, employees expect meaningful work, empowering and wellness initiatives, positive leadership, and growth in learning. There is also a continuing expectation for flexible scheduling.

FINANCIAL CONSTRAINTS

Given the fact that BC Assessment is reliant on property taxation revenues for the largest part of its revenues, BC Assessment is subject to fiscal constraints and must become increasingly more efficient and effective in its operation. The current operational review will assist in providing the means to meet this objective. The number of properties that must be assessed annually will continue to grow. BC Assessment is committed to accurately valuing these new properties with the current staff complement.

TRAINING

The changing expectations of our clients require staff training that is high in quality, provides mentoring and support, is timely, and is effective. The recently developed training plan provides the direction for current and future training needs at BC Assessment.

TECHNOLOGY

Technological change is continuing to impact the assessment field. It is creating opportunities for greater efficiency as well as challenges in terms of capital costs and staff training.

FIRST NATIONS ISSUES

First Nations of British Columbia are moving toward more self-governance. Property taxation will become increasingly important, and this will create opportunities for BC Assessment to strengthen and expand its relations with First Nations. Services that can be provided will include consultation, assessment, and related products.

COMMUNICATION

Improving communication is an important key to the relationship between BC Assessment and our clients, as well as an important operational issue between offices and departments. BC Assessment provides information to the public through the internet by a home web page (www.bcassessment.bc.ca), support for a comprehensive local government information sharing site, CivicInfoBC (www.civicinfo.bc.ca), by BC OnLine (www.bconline.gov.bc.ca), and through various publications and reports. Information on property assessments is provided at all the Area Offices throughout the province in several languages on request.

Goals and Objectives

To fulfill our mandate and to reach our vision, BC Assessment has established five key goals:

- Product Quality;
- Customer Service;
- Fiscal Responsibility;
- Human Resources Leadership; and
- Community and Social Responsibility.

Within each goal, BC Assessment has established targets from 2001 through the year 2005. Over this time frame, BC Assessment will consider what is working, what is not, and where limited resources can be utilized in the most relevant and effective manner. This requires a focus on results. Targets have therefore been established to track progress and to indicate when results meet planned objectives.

GOAL - PRODUCT QUALITY: Our products will be of the highest quality.

Target – The median Assessment-to-Sales Ratio for the residential assessment roll in British Columbia will be 97 per cent.

Target – The Coefficient of Dispersion for the provincial assessment roll will be less than 10 per cent for homogeneous residential regions and less than 15 per cent for heterogeneous residential regions.

Target – The Price-Related Differential will be between 0.98 and 1.03 for residential properties.

Target – By the end of 2002, a review will have been completed to determine the feasibility of some major property types becoming the responsibility of specialized teams.

Target – By the year 2003, BC Assessment will benchmark its operational and assessment processes, costs, and quality against other public and private organizations, and will implement changes that will result in improvements.

GOAL - CUSTOMER SERVICE: To provide a level of service that exceeds our customers' expectations

Target – Each year, 98 per cent of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.

Target – Each year, 95 per cent of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.

Target – BC Assessment will develop annual initiatives to continue to improve local governments' understanding of our functions, products, and services.

Target – Annual initiatives will be developed to continue to strengthen and expand our relations with local governments and First Nations.

Target – Each year, Area Offices and Divisions within BC Assessment will set their customer service targets, and review and refine those targets and measurement systems.

Target – By the end of 2001, Area Offices and Head Office Divisions will have improved electronic access to internal Human Resources and Financial Services information and reports.

Target – By the end of 2001, BC Assessment will develop a plan for improved electronic access to information by the public.

GOAL - FISCAL RESPONSIBILITY: To reduce the average cost of assessment per folio to allow more service to the public

Target – Over the next five years, the current staff complement will absorb the projected parcel growth of 200,000 folios.

Target – The efficiencies identified in the Operational Review process will be implemented during the life of this plan.

Target – By 2003, annual mainframe computer processing costs will be reduced by 50 per cent from the 1997 costs of $2.2 Million.

Target – By 2003, our non-tax revenues will be ten per cent greater than for the year 2000.

Target – By the end of 2003, accommodation costs (the base costs for BC Assessment's office space) will be reduced from 1999 levels.

Target – By the end of 2004, BC Assessment will reduce its resources spent on complaints and appeals from the average levels for the years 1995 to 1999.

Target – By the end of 2002, a new information technology systems plan will be developed.

GOAL - HUMAN RESOURCES LEADERSHIP: To foster a climate that encourages personal growth, continuing corporate success, workforce diversity, and commitment to our shared vision

Target – Over the term of this Plan, BC Assessment will provide resources to all staff to foster empowerment and personal development.

Target – By the end of 2002, the knowledge, skills, and attributes needed for all positions at BC Assessment will be established.

Target – By the end of 2002, a succession plan will be in place for all positions at BC Assessment.

Target – By 2003, our overall workforce will reflect the diversity of the province we serve.

Target – By the end of 2003, the multi-year training program will be fully implemented.

Target – By the end of 2003, BC Assessment will implement changes to positions that support process changes resulting from Operational Review.

Target – By the end of 2003, BC Assessment will develop and implement initiatives to support a more flexible workplace.

Target – By 2004, the percentage of BC Assessment appraisal staff accredited by their professional associations will increase by 10 per cent over the 1998 level.

GOAL - COMMUNITY AND SOCIAL RESPONSIBILITY: To help strengthen the communities we serve and to enhance the social and economic environment of British Columbia

Target – By the end of 2001, a community and social audit of existing community and social responsibility practices will be completed at BC Assessment.

Target – In 2002, BC Assessment will implement a corporate social responsibility program that will result in a best-practices organization that will create social and community capital.

Target – Each year, BC Assessment will develop and implement initiatives to support the provincial government's multiculturalism goals and objectives.

Target – BC Assessment will continue to participate annually in the Crown Youth Employment initiatives by actively recruiting and hiring students/youths, and BC Assessment will continue to promote, both internally and externally, the mutual benefits of hiring students/youths.

Target – Over the term of this plan, BC Assessment will develop partnerships with local governments integrating products and services.

Appendix: Assessment Roll Quality Measures – Performance Measures

The most important and widely accepted statistical measures of the quality of the assessment roll are the median Assessment-to-Sales Ratio (ASR), the Coefficient of Dispersion (COD) and the Price-Related Differential (PRD). These form the basis of the critical performance targets.

i. Assessment-to-Sales Ratio

The ASR is calculated by dividing the actual value (as determined by BC Assessment) of a property that has sold by its selling price, and expressing the result as a percentage. For example, if BC Assessment assessed a property with a value of $243,000, and it sold for $250,000, the ASR would be 97.2 per cent.

Acceptable ASR standards for BC Assessment will be 94 to 100 per cent, with a target of 97 per cent. The target of 97 per cent of sale price represents 100 per cent of market value of **assessable** real property. The actual sale price of a property often includes an amount for non-assessable items; once the non-assessable items are adjusted out of the sale price, the resulting 97 per cent is equivalent to 100 per cent of the market value of the assessable property.

The International Association of Assessing Officers (IAAO) has set a standard for a median ASR of 90 per cent to 110 per cent for an acceptable level of assessment achievement. BC Assessment's target of 97 per cent exceeds this standard.

ii. Coefficient of Dispersion

The COD measures how closely a group of numbers is clustered around its median, or middle number. The lower the COD, the better quality the product.

The IAAO achievement standards for COD are between 10 per cent to 15 per cent for homogeneous and heterogeneous single family residential properties, between 15 per cent to 20 per cent for income properties, and 20 per cent for vacant land.

iii. Price-Related Differential

The PRD measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-appraised relative to low-value properties, and progressive if high-valued properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in inequitable distribution of the tax burden. A good quality assessment roll should show no sign of regressivity or progressivity.

The following table summarizes the provincial results for single family residential properties. These properties represent 69.2% of the parcels in BC and 59.4% of the market derived value on the Assessment Roll.

For the province, from April 1, 2000 until September 30, 2000, 95.6% of sales value was captured on the Assessment Roll ($7.396 billion actual value/$7.734 billion sales prices).

Roll Quality – 2001 Authenticated Roll

SINGLE FAMILY RESIDENTIAL PROPERTY

JURISDICTION TYPE	SALES (APR-SEPT)	MEDIAN ASR	COD	PRD
All Jurisdictions	22,806	96.5%	5.4%	1.010
City	12,573	96.6%	4.9%	1.008
District	6,759	96.5%	5.2%	1.011
Town	751	96.8%	5.3%	1.007
Village	345	96.0%	8.7%	1.023
Rural	2,378	96.2%	8.2%	1.025
CATEGORY	**SALES (APR-SEPT)**	**MEDIAN ASR**	**COD**	**PRD**
Low End Housing	7,706	96.7%	6.1%	1.010
Mid Range Housing	14,338	96.4%	5.0%	1.007
High End Housing	794	95.6%	5.9%	1.015

National Library of Canada Cataloguing in Publication Data
British Columbia Assessment Authority.
Performance plan. — 2001/2005-

Annual.
Available on the Internet.
Report year ends March 31.
ISSN 1496-872X = Performance plan – British Columbia Assessment Authority

1. British Columbia Assessment Authority – Periodicals. I. Title. II. Title: BC Assessment performance plan

HJ4293.B7B74 2001 352.4'4'0971105 C2001-960142-5

National Library of Canada Cataloguing in Publication Data
British Columbia Assess' ent Authority.
Performance plan. — 2001/2005-